

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name GREENWOOD TOWNSHIP	County OCEANA
Fiscal Year End 3/31/07	Opinion Date 07/12/07	Date Audit Report Submitted to State 08/08/07	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Hendon & Slate, PC		Telephone Number 231-924-6890	
Street Address 711 West Main		City Fremont	State Zip MI 49412
Authorizing CPA Signature <i>Jodi DeKuiper, CPA</i>	Printed Name Jodi DeKuiper, CPA		License Number 1101021180

**TOWNSHIP OF GREENWOOD
OCEANA COUNTY, MICHIGAN**

**FINANCIAL STATEMENTS
MARCH 31, 2007**

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TOWNSHIP OF GREENWOOD

Township Board

	<u>Position</u>
Thomas Deater	Supervisor
Sandy Gustman	Treasurer
Bill Deater	Clerk
Ron Stroven	Trustee
Steve Stroven	Trustee

H&S Companies

Hendon & Slate, PC
Certified Public Accountants
Business Consultants

Township Board
Township of Greenwood
Oceana County
Hesperia, Michigan

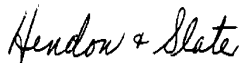
Independent Auditor's Report

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of Greenwood Township as of and for the year ended March 31, 2007 as shown on pages 2 through 5, which collectively comprise a portion of the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in the government-wide financial statements for the Township's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Greenwood Township as of March 31, 2007 or the changes in its financial position or its cash flows, where applicable, for the year then ended.



Hendon & Slate, P.C.
Certified Public Accountants
July 12, 2007

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Toll Free (800) 924-6891

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TOWNSHIP OF GREENWOOD

Governmental Fund Balance Sheet March 31, 2007

	General Fund	Fire Fund	Total Governmental Funds
Assets			
Cash and Investments	\$ 265,748	\$ -	\$ 265,748
Taxes Receivable	6,833	4,308	11,141
Due from Other Funds	<u>2,214</u>	<u>20,211</u>	<u>22,425</u>
Total Assets	<u>\$ 274,795</u>	<u>\$ 24,519</u>	<u>\$ 299,314</u>
 Liabilities and Fund Equity			
Liabilities			
Accounts Payable	\$ 1,296	\$ 24,519	\$ 25,815
Due to Other Funds	<u>19,225</u>	<u>-</u>	<u>19,225</u>
Total Liabilities	20,521	24,519	45,040
 Fund Equity			
Fund Balances - Unreserved	<u>254,274</u>	<u>-</u>	<u>254,274</u>
 Total Liabilities and Fund Equity	<u>\$ 274,795</u>	<u>\$ 24,519</u>	<u>\$ 299,314</u>

The Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWOOD

Governmental Fund Statements of Revenue, Expenditures, and Changes in Fund Balance For the Year Ended March 31, 2007

	General Fund	Fire Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Taxes	\$ 40,563	\$ 24,519	\$ 65,082
Licenses and Permits	860	-	860
State Grants	83,171	-	83,171
Charges for Services	2,201	-	2,201
Interest	8,995	-	8,995
Refunds and Rebates	2,120	-	2,120
Other	115	-	115
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	138,025	24,519	162,544
Expenditures			
General Government	82,961	-	82,961
Public Safety	12,925	24,519	37,444
Public Works	22,143	-	22,143
Recreation and Culture	1,120	-	1,120
Other	10,389	-	10,389
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	129,538	24,519	154,057
Excess Revenue Over (Under)			
Expenditures	8,487	-	8,487
Fund Balance - Beginning	<u>245,787</u>	<u>-</u>	<u>245,787</u>
Fund Balance - Ending	<u>\$ 254,274</u>	<u>\$ -</u>	<u>\$ 254,274</u>

The Notes to the Financial Statements are an integral part of this statement

TOWNSHIP OF GREENWOOD

Statement of Net Assets - Agency Fund March 31, 2007

	<u>Trust and Agency Funds</u>
Assets	
Cash and Investments	<u>\$ 23,209</u>
Total Assets	<u>\$ 23,209</u>
 Liabilities and Net Assets	
Liabilities	
Due to Other Funds	\$ 3,200
Due to Other Units	1,622
Due to Schools	<u> 18,387</u>
Total Liabilities	23,209
 Net Assets	
Unreserved	<u> -</u>
 Total Liabilities and Net Assets	<u>\$ 23,209</u>

The Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWOOD

Notes to the Financial Statements March 31, 2007

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Greenwood Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units, except for the reporting requirements under GASB #34 (due to the lack of government-wide financial statements and management's discussion and analysis). The following is a summary of the significant policies used by Greenwood Township.

1. Reporting Entity

The reporting entity is a general law township as defined by the laws of the State of Michigan. The Township is governed by a Supervisor and Township Board.

As defined by Governmental Accounting Standards Board (GASB) No. 14, the financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The primary government has financial accountability if it:

- a. Appoints a voting majority of the organization's board, and, has the ability to impose its will on the organization; or
- b. There is a potential for the component unit to provide certain financial benefits to, or impose certain financial burdens on, the primary government.

Based on this criteria, there are no other entities included in this report.

2. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Revenues are recognized in the accounting period in which they become susceptible to accrual, that is when they become both measurable and available to finance expenditures of the fiscal period.

a. State Shared Revenue Receivable

State Shared Revenue is distributed in six installments per year. Often the last payment has not been received by March 31; therefore, a receivable is recorded for this amount. The final payment of \$12,974 was received in March 2007, thus no receivable is recorded.

b. Property Taxes Receivable

The Township property tax is levied on each December 1st on the taxable valuation of the property (as defined by state statutes) located in the Township as of the preceding December 31st. The taxes are due on September 14th and February 14th, with the final collection date of February 28th before they are added to the County tax rolls. The 2006 delinquent taxes of \$11,141 were received after the year-end and recorded as revenue for the current year.

The 2006 taxable valuation of the Township totaled \$25,506,321 on which ad valorem taxes levied consisted of 1.1580 mills for general operating and .9446 mills for fire protection. These amounts are recognized in the respective general and special revenue fund financial statements as current tax revenue.

The government reports the following major governmental funds:

The General fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire fund accounts for the resources of property tax revenue and charges for services that are restricted for fire protection purposes.

3. Assets, Liabilities, and Fund Balance

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Pooled investment income is generally allocated to each fund based on the cash balance in

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds". Activity between funds that is representative of

lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds".

Inventories and Prepaid Items - Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase. Normally expenditures are not divided between years by the recording of prepaid expenses. There were no material inventories at year end.

Fund Balance - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

4. Budgets and Budgetary Accounting

P.O. 621 of 1978, Section 18(1), as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the township for these funds were adopted on the activity level. The budgets shown in these financial statements are as last amended through March 31, 2007.

During the year ended March 31, 2007, the Township did not incur any overexpenditures.

5. Reporting Entity

The financial statements of Greenwood Township do not include any other governmental boards or authorities based on a determination made with the control or dependence in the areas of budget adoption, taxing authority, funding and appointment of respective boards.

6. Encumbrances

The Township does not use any form of encumbrance accounting.

7. Estimates

Management uses estimates and assumption in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenditures/expense. Actual results could differ from those estimates.

NOTE B DEPOSITS AND INVESTMENTS

Legal Provisions for Deposits and Investments - The Investment of Surplus Funds of Political Subdivisions Act No. 20, Public Acts of 1943, as amended through December 31, 1997, state the Township, by resolution may authorize the Treasurer to invest surplus finds in one or more of the following:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (2).
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Repurchase agreements consisting of instruments listed in subdivision (a).
- e. Bankers' acceptances of the United States banks
- f. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- g. Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 801-3 and 80a-64, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

However, a mutual fund is not disqualified as a permissible investment solely by reason of any of the following:

1. The purchase of securities on a when-issued or delayed delivery basis.
 2. The ability to lend portfolio securities as long as the mutual fund receives collateral all times equal to at least 100% of the securities loaned.
 3. The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
- h. Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the Urban Cooperations Act of 1967, 1967 (Es Sess) PA7 MCL 124.501 to 124.512.
 - i. Investment pools organized under the surplus Funds investment Pool Act, 1982 PA 367, 129.111 to 129.118
 - j. The investment pools organized under the Local government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

Investments are normally categorized to give an indication of the level of risk assumed by the Township; however, money market funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Notes to the Financial Statements (continued)

Management believes the investments in the funds comply with the investment authority noted above. Deposits are carried at cost. Cash deposits of the Township are in three separate financial institutions: Community Shores Bank, National City Bank, and Shelby State Bank of Hesperia. These accounts are in the Township's own name.

The Township's deposits are in accordance with statutory authority as follows:

	Carrying Amount	Market Value
Certificates of Deposits		
Community Shores - 2000005214	\$ 51,874	\$ 51,874
Community Shores - 2000005569	45,000	45,000
Shelby State Bank - 200031853	53,094	53,094
National City - 198560508	30,000	30,253
Total	179,968	180,221
Cash		
Checking - 860064	1,505	33,336
Money Plus- 636126	84,275	84,275
Total	85,780	117,611
Tax - 860130	23,209	23,209
Total Cash	108,989	140,820
Total CD's, Cash & Deposits	\$ 288,957	\$ 321,041
FDIC Insured		\$ 283,672
Uninsured		\$ 37,369

NOTE C INTERFUND RECEIVABLES AND PAYABLES

	Receivable	Payable
General Fund	\$ 2,214	\$ 19,225
Fire Fund	20,211	-
Trust and Agency (Tax)	-	3,200
	\$ 22,425	\$ 22,425

These amounts represent delinquent taxes and the Fire Fund's portion of property taxes that were collected by the General Fund. The entire amount is expected to be paid within one year.

NOTE D CAPITAL ASSETS

Management has not presented government-wide financial statements, and thus, neither capital assets nor the related depreciation and accumulated depreciation are reported.

NOTE E JOINT VENTURE - HESPERIA AREA FIRE AUTHORITY

The Townships of Greenwood, Newfield, and Denver have together established the Hesperia Area Fire Authority. Two resident members from each township are appointed to the Joint Administrative Fire board and a third for a term of six years, resident member is appointed from each township in alternating years for a term of one year. The townships shall contribute funds to the department for both capital and operating activities. The proceeds will be levied from one millage collected in each township. Any additional costs shall be paid equally by all townships. The Township does not report an equity interest in this joint venture in these financial statements because the Township does not have an explicit and measurable right to the joint venture's resources. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Financial information based on the March 31, 2006 (most recent) audit report of the Hesperia Area Fire Authority follows:

Total Assets	\$	21,727
Total Liabilities		61
Net Assets	\$	21,666
Operating Revenues	\$	121,289
Operating Expenses		(120,880)
Excess Revenues over Expenditures	\$	409

Complete financial statements for Hesperia Area Fire Authority may be obtained from Al Daniels, 8320 E. M-20, Hesperia, MI 49421.

NOTE F RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets and omissions; and natural disasters for which the Township carries commercial insurance. Liabilities in excess of insurance coverage, if any, are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

TOWNSHIP OF GREENWOOD

Budgetary Comparison Schedule for General Fund For the Year Ended March 31, 2007

	Budgeted Amounts			Variance to
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Taxes	\$ 38,300	\$ 38,300	\$ 40,563	\$ 2,263
Licenses and Permits	700	700	860	160
State Grants	81,800	81,800	83,171	1,371
Charges for Services	50	50	2,201	2,151
Interest	4,600	4,600	8,995	4,395
Refunds and Rebates	3,000	3,000	2,120	(880)
Other	250	250	115	(135)
Total Revenues	128,700	128,700	138,025	9,325
Expenditures				
General Government	95,400	89,700	82,961	6,739
Public Safety	8,500	16,500	12,925	3,575
Public Works	20,300	22,800	22,143	657
Recreation and Culture	1,500	1,500	1,120	380
Other	11,050	11,050	10,389	661
Total Expenditures	136,750	141,550	129,538	12,012
Excess Revenue Over (Under)				
Expenditures	(8,050)	(12,850)	8,487	21,337
Fund Balance - Beginning	226,445	226,445	245,787	19,342
Fund Balance - Ending	\$ 218,395	\$ 213,595	\$ 254,274	\$ 40,679

TOWNSHIP OF GREENWOOD

Budgetary Comparison Schedule for Fire Fund For the Year Ended March 31, 2007

	Budgeted Amounts			Variance to
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Taxes	<u>\$ 24,520</u>	<u>\$ 24,520</u>	<u>\$ 24,519</u>	<u>\$ (1)</u>
Total Revenues	24,520	24,520	24,519	(1)
Expenditures				
Public Safety	<u>24,520</u>	<u>24,520</u>	<u>24,519</u>	<u>1</u>
Total Expenditures	24,520	24,520	24,519	1
Excess Revenue Over (Under)				
Expenditures	-	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

TOWNSHIP OF GREENWOOD

Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund (Budget and Actual) For the Year Ended March 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues			
Taxes and PTAF	\$ 38,300	\$ 40,563	\$ 2,263
Licenses and Permits	700	860	160
State Grants-Shared Revenue	81,800	83,171	1,371
Charges for Services	50	2,201	2,151
Interest	4,600	8,995	4,395
Refunds and Rebates	3,000	2,120	(880)
Other	<u>250</u>	<u>115</u>	<u>(135)</u>
Total Revenues	128,700	138,025	9,325
 Expenditures			
General Government			
Township Board			
Salaries and Wages		3,000	
Supplies		515	
Transportation		28	
Education and Training		158	
Professional Services		4,602	
Printing and Publishing		1,076	
Miscellaneous		<u>520</u>	
	12,000	9,899	2,101
 Supervisor			
Salaries and Wages		9,150	
Supplies		3	
Transportation		648	
Education and Training		<u>79</u>	
	\$ 10,500	\$ 9,880	\$ 620

Statement of Revenues, Expenditures and
Changes in fund Balance - General Fund (continued)

Elections

Salaries and Wages	\$	1,649	
Professional Services		400	
Supplies		294	
Transportation		159	
Education and Training		<u>50</u>	

\$	4,000	2,552	\$	1,448
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Assessor

Supplies		645	
Professional Services		8,989	
Printing and Publishing		<u>860</u>	

11,000	10,494	506
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Clerk

Salaries and Wages		9,220	
Supplies		532	
Education and Training		79	
Transportation		138	
Professional Services		<u>50</u>	

10,500	10,019	481
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Board of Review

Salaries and Wages		1,090	
Supplies		61	
Education and Training		448	
Printing and Publishing		<u>95</u>	

2,000	1,694	306
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Treasurer

Salaries and Wages		9,200	
Supplies		1,598	
Transportation		693	
Education and Training		164	
Professional Services		696	
Printing and Publishing		<u>912</u>	

\$	14,000	\$	13,263	\$	737
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Statement of Revenues, Expenditures and
Changes in fund Balance - General Fund (continued)

Township Hall and Grounds			
Salaries and Wages		\$ 25	
Supplies		4,432	
Repairs and Maintenance		3,704	
Contracted Services		5,814	
Capital Outlay		<u>10,500</u>	
	\$ 25,000	24,475	\$ 525
Cemetery			
Salaries and Wages		70	
Transportation		5	
Repairs and Maintenance		<u>610</u>	
	700	685	15
Total General Government	89,700	82,961	6,739
Public Safety			
Zoning Administrator			
Salaries and Wages		4,500	
Printing and Publishing		90	
Supplies		<u>28</u>	
	5,000	4,618	382
Planning Board			
Salaries and Wages		4,560	
Supplies		17	
Education		100	
Printing and Publishing		<u>532</u>	
	5,500	5,209	291
Fire Board	2,000	1,890	110
Fire Protection	\$ 1,500	\$ 989	\$ 511

Statement of Revenues, Expenditures and
Changes in fund Balance - General Fund (continued)

Ordinance Officer			
Contracted Services		\$ 150	
Transportation		<u>69</u>	
	<u>\$ 2,500</u>	<u>219</u>	<u>\$ 2,281</u>
Total Public Safety	16,500	12,925	3,575
Public Works			
Highways, Streets and Bridges	22,500	21,959	541
Street Lighting	<u>300</u>	<u>184</u>	<u>116</u>
Total Public Works	22,800	22,143	657
Recreation and Cultural			
Library Board	<u>1,500</u>	<u>1,120</u>	<u>380</u>
Total Recreation and Cultural	1,500	1,120	380
Other			
Fringe Benefits		3,586	
Insurance		6,786	
Tax Tribunal Refunds		<u>17</u>	
Total Other	<u>11,050</u>	<u>10,389</u>	<u>661</u>
Total Expenditures	<u>153,550</u>	<u>139,437</u>	<u>14,113</u>
Excess Revenues Over			
(Under) Expenditures	<u><u>\$ (24,850)</u></u>	<u>(1,412)</u>	<u><u>\$ 23,438</u></u>
Fund Balance - Beginning		<u>245,787</u>	
Fund Balance - Ending		<u><u>\$ 244,375</u></u>	

TOWNSHIP OF GREENWOOD

Statement of Revenue, Expenditures, and Changes in Fund Balance-Fire Fund (Budget and Actual) For the Year Ended March 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 24,520	\$ 24,519	\$ (1)
Total Revenues	24,520	24,519	(1)
Expenditures			
Public Safety			
Professional Services	24,520	24,519	1
Total Expenditures	24,520	24,519	1
Excess Revenue Over (Under)			
Expenditures	<u><u>\$ -</u></u>	-	<u><u>\$ -</u></u>
Fund Balance - Beginning		-	
Fund Balance - Ending		<u><u>\$ -</u></u>	

H&S Companies

Hendon & Slate, PC
Certified Public Accountants
Business Consultants

July 12, 2007

Greenwood Township
Oceana County
Hesperia, MI 49421

Dear Board Members :

We would like to thank you for the opportunity to provide our auditing services. It was again a pleasure working with the members of Greenwood Township during the audit engagement.

A recent change in auditing standards (SAS 112 – *Communicating Internal Control Related Matters Identified in an Audit*) now requires that we provide a new letter, which we have included, that focuses on the internal controls over financial reporting.

In addition to the letter referenced above, we also reviewed the Township's accounting procedures as of and for the year ended March 31, 2007, and offer the following comments and recommendations:

Books and Records

The books and records for Greenwood Township were, as always, in excellent condition. Greenwood Township is an example for other townships to follow in this area.

Prior Recommendations

We were pleased to see that the Township implemented last year's recommendation and adopted a fixed asset capitalization policy.

GASB 34

The Township decided not to implement GASB 34 this year, and as in the past, we were required to qualify our opinion on the financial statements. This was the final year the State of Michigan will accept audits without the government-wide financial statements, the MD&A, and the infrastructure information. Your financial statements for the year ended March 31, 2008 will need to incorporate the modifications as required by GASB 34. Our office will be happy to assist you with this implementation.

Grand Rapids
2025 East Beltline SE
Suite 208
Grand Rapids, MI 49546
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Muskegon, MI 49444
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711 West Main Street
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Montague
4538 Dowling Street
Montague, MI 49437
Phone (231) 893-6772

Hart
1550 N. Industrial Park Drive
Hart, MI 49420
Phone (231) 873-5611
Fax (231) 873-7033

www.hscompanies.com

Thank you for the courtesy extended to us during the audit. We look forward to a continued relationship with Greenwood Township. If you have any questions regarding the audit report, these letters, or any other communications, please do not hesitate to call.

Respectfully submitted,

A handwritten signature in black ink that reads "Jodi A. DeKuiper, CPA". The signature is written in a cursive, flowing style.

Jodi A. DeKuiper, CPA
Hendon & Slate, P.C.
Certified Public Accountants